

MINUTES OF REGULAR MEETING  
ILLINOIS GAMING BOARD  
MAY 17, 1994  
CHICAGO, ILLINOIS

A Regular Meeting of the Illinois Gaming Board was held on May 17, 1994. The meeting was held in Room 500 C of the State of Illinois Building, 160 North LaSalle Street, Chicago, Illinois. The meeting was held pursuant to previous Board action and notice was duly and timely given to each Board Member and the general public in conformity with the Illinois Open Meetings Act, 5 ILCS 120.

The following Board Members were present: J. Thomas Johnson, Chairman; and Members William B. Browder, Gayl S. Pyatt, J. William Roberts and Robert F. Vickrey.

Additionally, Interim Administrator Joseph F. Mc Quaid, Chief Legal Counsel Donna B. More, the media and the general public were in attendance.

Chairman Johnson called the meeting to order at 9:35 A.M.

Member Roberts moved that pursuant to the Open Meetings Act, 5 ILCS 120/2 (g), (h), and (k) that the Board retire to Closed Session to consider the following subject matter:

1. Staff reports regarding Supplier Licensees
2. Staff reports regarding Occupational Licenses
3. Matters concerning Owners Licenses that were confidential pursuant to the Open Meetings Act
4. Recommendations of the Administrative Law Judge
5. Investigatory matters
6. Personnel matters, and
7. Procedures of the Board.

Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote and the Board retired to Closed Session at 9:36 A.M.

The Illinois Gaming Board reconvened in Open Session at 2:04 P.M. Chairman Johnson and Members Browder, Pyatt, Roberts and Vickrey were in attendance.

The first order of business concerned the approval of the minutes of April 19, 1994. Mr. Roberts offered one addition.

Mr. Roberts moved the minutes of April 19, 1994 be approved, as amended. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next item of business concerned the schedule of Regular Meetings for the remainder of 1994. The Chairman announced that the Board would meet on the following dates.

July 14, 1994

September 27, 1994  
October 25, 1994  
November 16, 1994  
December 21, 1994.

The Chairman noted that all meetings of the Board would begin at 9:30 A.M. whereupon the Board would retire to Closed Session and return to conduct business at approximately 12:00 noon.

The next item of business concerned the Administrator's Report. The Chairman recognized Interim Administrator Mc Quaid.

Mr. Mc Quaid reviewed the Cruise Disruption Report and the Underage Patron Report. Staff was instructed to make a modification to the Cruise Disruption Report. It was also noted that Alton Gaming Company appeared to verify less patrons than other licensees. Mr. Larry Trent, Director of Corporate Security and Surveillance for Argosy Gaming Company, appeared and told the Board that their policy was to age verify and that differences were attributed to persons engaged in consecutive cruises and lower passenger loads during daytime cruises. He noted that Alton checked over 8% which was greater than other licensees.

Mr. Mc Quaid next requested the Board to instruct staff as to the disposition of four pending applications for owner's licenses. He noted that the application received from Rockford Capital Development Partnership had yet to be investigated by staff. Chairman Johnson instructed staff to take no action pending the expected issue of the final owner's license in October, 1994. The Chairman noted that the applicant was able to request a refund of their application fee and that the Board would consider the disposition of all pending applications at a later date. There were no objections raised to the instructions.

The next order of business concerned an update from applicants found suitable for licensing. The Chairman recognized Elgin Riverboat Resorts.

Mr. Dan Azrak appeared on behalf of the applicant. He told the Board that the vessel was under construction and was expected to be launched in August, 1994. There were 400 construction employees working. Dredging of the Fox River was underway. Mr. Azrak stated that hiring would begin during July and that operations were expected to commence in October, 1994.

The next order of business concerned issues of owner licensees. The Chairman first recognized Par-a-dice Gaming Corporation.

Mr. John Janicik, attorney, appeared on behalf of the licensee. He requested the Board approve requests of Par-a-dice to sell their vessel, Par-a-dice, to Alton Gaming Company; to transfer gaming equipment to Alton Gaming Company through intermediary supplier IGT. Mr. Janicik noted that waivers to Rule 3000.260 were necessary to approve the request. He also requested the Board approve a proposed vessel construction financing plan. Under the plan, the corporation would borrow \$18 million from Caterpillar Financing for construction of a larger vessel and gaming equipment purchase. Another, unapproved \$10 million loan was discussed.

Mr. Roberts moved that the Par-a-dice Gaming Corporation loan agreement with Caterpillar Financial Services Corporation, for an amount not to exceed \$18 million, to acquire a new vessel and additional gaming equipment be approved. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Roberts moved whereas the Board had received a request for Par-a-dice Gaming Corporation to waive the Illinois Gaming Board licensing requirements regarding the sale of gaming equipment by Par-a-dice to IGT, and whereas the Board had determined that the public and gaming industry interests would be best served by allowing the request, that the Board, pursuant to Rule 3000.260 waive the applicable license requirements for the transaction and therefore approve the sale of gaming equipment to IGT. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Roberts moved that the request received from Par-a-dice Gaming Corporation to sell its vessel, Par-a-dice, to Alton Gaming Company be approved. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The Chairman instructed staff to draft proposed rules for consideration at the July, 1994 regular meeting to avoid the necessity of waiving Rules of the Board whenever a licensee wishes to dispose of equipment in the normal course of business.

The Chairman next recognized Hollywood Casino Corporation.

Mr. John Janicik, attorney, appeared on behalf of the licensee. He informed the Board that the request for refinancing first discussed in April, 1994 had been withdrawn. He further stated that a new vessel was under construction and would be financed by cash flow of the Aurora operation. Mr. William Weidner, President, appeared and updated the Board on dredging of the Fox River and removal of power lines.

The Chairman next recognized Harrah's Casino Cruises.

Mr. George Kovac, attorney, appeared on behalf of the licensee. He requested approval of a request submitted by investor John Q. Hammonds to change financial institutions to First Mid-West Bank in Joliet, Illinois. It was noted that the institution held Mr. Hammonds' \$7 million note.

Mr. Vickrey moved that the changes to the loan agreement proposed by the Des Plaines Development Corporation, those changes including a new lender and a reduction in the amount of debt of \$7 million, be approved. Mr. Roberts seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The Chairman next recognized Alton Gaming Corporation.

Mr. Jeff Roberts, attorney, appeared on behalf of the licensee. He asked for approval of a request by IGT North America that pursuant to Rule 3000.260, to waive the appropriate rule and allow the sale of non-IGT equipment to Alton Gaming Company. Mr. Roberts also requested approval for Alton Gaming Company to acquire a vessel.

Member Roberts moved that whereas the Board had received a request from IGT North America to waive Illinois Gaming Board licensing requirements regarding the amendment of their equipment list for a certain transaction, and whereas the Board had determined that the public and gaming industry interests would be best served by allowing the request, that the Board, pursuant to Rule 3000.260 waive those licensing requirements for the transaction in question and therefore approve the sale of gaming equipment to Alton Gaming Company. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Member Roberts moved that whereas the Board had received a request from Alton Gaming Company to waive Illinois Gaming Board licensing requirements regarding the sale of certain gaming equipment by Alton Gaming Company to Paul-son Gaming Corporation, and whereas the Board had determined that the public and gaming industry interests would be best served by allowing the request, that the Board, pursuant to Rule 3000.260 waive those licensing requirements for the transaction in question and therefore approve the sale of gaming equipment to Paul-son Gaming Corporation. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Member Roberts moved that the request of Alton Gaming Company to sell a vessel, currently known as Par-a-dice, to Missouri Gaming Company be approved. Mr. Vickrey seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Larry Trent appeared to request approval for operations to commence aboard Alton Belle I. He presented a proposed cruise schedule. It was noted that internal controls had not been submitted and that Board staffing requirements were under review. Mr. Trent stated the combined total of gaming positions would be 1197 and that operations could begin on or about June 1, 1994.

Ms. Pyatt moved that subject to staff approval of internal controls, that the request of Alton Gaming Company to operate Alton Belle I be approved. Mr. Vickrey seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The Chairman next recognized Southern Illinois Riverboat Casino Inc.

Mr. Michael Ficaro, attorney, appeared on behalf of the licensee. He told the Board that Player's 120 room hotel had been completed and was in operation and that a 350 seat theater was under construction with a scheduled June 24, 1994 opening.

The next item of business concerned Supplier's Licenses.

Mr. Vickrey moved that the application received from Mikohn Gaming Corporation to be a supplier of electronic keno and other related products be approved. Ms. Pyatt seconded the motion. The Interim Administrator recommended approval. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Roberts moved that a Suppliers License be renewed for;

Harrah's Illinois Corporation  
Aerie Hotel and Resorts  
Sigma Games, Incorporated.

Ms. Pyatt seconded the motion. The Interim Administrator recommended approval. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next item of business concerned an appearance by Mr. Chris Anderson, Executive Director of the Illinois Council on Problem and Compulsive Gambling, Inc.

Mr. Anderson told the Board that he looked forward to cooperative efforts between his organization and the Board in addressing compulsive gambling education and treatment. He noted that he had already been working with the staff and had also received \$5000 in contributions from several owner licensees.

The next item of business concerned Occupational Licensing.

Mr. Vickrey moved that the Board accept the staff reports and recommendations for applications received for Occupational License, Level 1 and that the applications be approved for the following individuals:

Walter Rogers  
Joseph Uram  
Ernst Masterson  
Scott Lloyd Cooper  
Robert Barrows  
Joseph Tinker  
George Cvek, Jr.  
Bill Griesenauer  
Philip Rossi.

Mr. Roberts seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Vickrey moved that the Board accept the staff report and recommendations and approve the applications received for Occupational Licenses, Levels 2 & 3. It was noted the motion included 125 level 2 and 295 level 3 applications. Mr. Roberts seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Mr. Vickrey moved that the Board accept the staff report and recommendations and deny the applications received for Occupational Licenses, Levels 2 & 3. It was noted the motion included 4 Level 2 and 20 Level 3 applications. Mr. Roberts seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next item of business concerned Administrative Hearings.

Ms. Pyatt moved that the Board, having reviewed the administrative record, adopt the findings of fact and conclusions of law as stated in the orders of the administrative law judge and deny applications for occupational licenses for Nick Basile and Chad Handley. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Ms. Pyatt moved that the Board deny Mark Parkdy's request to reapply for an occupational license within one year from his denial which was issued by the Board in April, 1994. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Ms. Pyatt moved that the Board allow the Par-a-dice and Dale Burklund to withdraw their requests for hearing in complaint DC-93-2. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Ms. Pyatt moved that the Board allow Pat Brondonisio and Randy Engelken leave to withdraw their hearing requests and leave to reapply for an occupational license within one year of May 17, 1994. Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

Ms. Pyatt moved that the Board deny the following individuals' request for hearing as their requests did not comply with Rule 3000.405:

Cecil Pace  
Marcell Gladney  
Sue Welp  
Elve King.

Mr. Browder seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote.

The next order of business concerned pending investigations. The Chairman noted that investigatory matters had been discussed in Closed Session.

The next item of business concerned Old Business. The Chairman noted that a contract had been entered into with the University of Illinois to study the economic impact of gaming on the City of Alton and instructed staff to invite Alton city officials to attend the July 1994 meeting to gather whatever comments they might have.

There being no further business to come before the Board, Mr. Roberts moved the Board stand adjourned. Ms. Pyatt seconded the motion. The Chairman called for the yeas and nays.

The motion was approved unanimously by voice vote and the Board stood adjourned at 3:38 P.M.

Respectfully submitted,

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James A. Nelson  
Secretary of the Board

